

Housing and Urban Development

§ 2700.350

of 2003 (Pub. L. 108-189, approved December 19, 2003) (formerly known as Soldier's and Sailor's Civil Relief Act of 1940) (50 U.S.C. app. 501-594), the lender shall refrain from instituting foreclosure proceedings during the period in which the servicemember is in military service and 3 months thereafter and that period shall be excluded in computing the time within which a claim for insurance benefits under this subpart may be made.

(e) An insured lender will be reimbursed for its losses on emergency mortgage relief loans and advances of credit made in accordance with this part, in an amount equal to 90 percent of the sum of the following:

(1) The unpaid principal amount of the emergency mortgage relief loan or advance of credit less the amount recovered;

(2) The uncollected interest earned up to the date of claim;

(3) Uncollected court costs, including fees paid for issuing, serving, and filing summonses;

(4) Attorney's fees actually paid, not exceeding the lesser of:

(i) 25 percent of the amount collected by the attorney on the defaulted note, or

(ii) 15 percent of the balance due on the note; and

(5) Expenses actually incurred in recording assignments of mortgages to the United States of America, up to such amount as specified by HUD.

(f) The note and any mortgage held or judgment taken by the claimant must be assigned in its entirety and if any claim has been filed in bankruptcy, insolvency, or probate proceedings, such claim shall be likewise assigned to the United States of America. The assignment shall be in the form approved by HUD.

§ 2700.340 Payment of insurance benefits.

Upon receipt of a claim for insurance benefits that meets the requirements of § 2700.335 and the other provisions of this part, HUD shall make a payment of insurance benefits in cash to the claimant in an amount equal to the amount specified in § 2700.335(e).

§ 2700.345 Administrative reports and examinations.

At any time, HUD may call upon an insured lender for such reports as are deemed to be necessary in connection with the regulations of this part and may inspect the books or accounts of the lender as they pertain to the emergency mortgage relief loans or advances of credit that are insured pursuant to this subpart.

§ 2700.350 Sale, assignment, and pledge of insured loan.

(a) No lender may sell or otherwise dispose of any insured emergency mortgage relief loan or advance of credit except pursuant to this section.

(b) An insured emergency mortgage relief loan or advance of credit may be sold to a lending institution eligible under § 2700.105. Upon such sale, both the seller and the buyer shall notify HUD within 30 days of the date of sale.

(c) When an insured emergency mortgage relief loan or advance of credit is sold to another lending institution eligible under § 2700.105, the buyer shall thereupon succeed to all the rights and become bound by all the obligations of the seller under the contract of insurance under this part, and the seller shall be released from its obligations under the contract of insurance.

(d) An assignment, pledge, or transfer of an insured emergency mortgage relief loan or advance of credit not constituting an actual transfer of legal title may be made by the lender to another eligible lending institution, subject to the following conditions:

(1) The assignor, pledgor, or transferor shall remain the lender for purposes of the contract of insurance under this part.

(2) HUD shall have no obligation to recognize or deal with any party other than that lender with respect to the rights, benefits, and obligations of the lender under the contract of insurance. Notice to or approval of HUD is not required in connection with assignments, pledges, or transfers pursuant to this subpart.